

MINUTES
REGULAR MEETING OF THE SANDPOINT CITY COUNCIL
April 17, 2019

OPENING Mayor Rognstad called the regular meeting of the City Council to order at 5:00 p.m. on Wednesday, April 17, 2019, in the Council chambers at City Hall, 1123 Lake Street.

ROLL CALL Council members Ruehle, Aitken, Aispuro, Darling, Williamson and Eddy were present.

PLEDGE OF ALLEGIANCE Mayor Rognstad led the Council and the public in the pledge of allegiance to the flag.

EXECUTIVE SESSION

Councilwoman Williamson moved that Council convene in executive session pursuant to Idaho Code Section 74-206(f) to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation or controversies not yet being litigated but imminently likely to be litigated. **Councilman Eddy seconded the motion.**

A roll call vote resulted as follows:

Councilwoman Williamson	Yes
Councilman Eddy	Yes
Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilman Aispuro	Yes
Councilman Darling	Yes

The motion passed by a unanimous vote of Council. Council convened in executive session at 5:02 p.m. in the first-floor conference room at City Hall.

Council concluded their executive session at 5:35 p.m., and **Mayor Rognstad** reconvened the meeting in Council chambers.

PUBLIC FORUM No comments from the public.

ANNOUNCEMENTS

Councilwoman Ruehle thanked our fire fighters for their recent kindness shown to a member of our community in need.

Mayor Rognstad proclaimed April 26, 2019, as Arbor Day and the month of April as Fair Housing Month in Sandpoint.

Mayor Rognstad recognized and thanked Travis Sherman, appointed to the Planning and Zoning Commission, and Hannah Combs, appointed to the Arts Commission, and urged City Council to confirm their appointments.

CONSENT CALENDAR

- A. MEETING MINUTES *(approval of City Council minutes; acknowledgment of all others)*
 - 1. City Council, March 20, 2019 (Regular Meeting)
 - 2. Planning and Zoning Commission, March 5 and March 19, 2019
 - 3. Arts Commission, January 15, 2019
 - 4. Historic Preservation Commission, February 19, 2019
 - 5. Urban Renewal Board, March 5, 2019
- B. BILLS in the amount of \$1,402,375.48, reflecting \$819,374.62 for regular payables and \$583,000.86 for payroll.
- C. CONFIRMATION OF APPOINTMENTS
 - 1. Travis Sherman, Planning and Zoning Commission, April 17, 2019 – April 30, 2022
 - 2. Hannah Combs, Arts Commission, April 17, 2019 – April 30, 2022
- D. RESOLUTIONS
 - 1. **Resolution No. 19-16** - Engagement Agreement with Herrington & Associates, PLLC, for Interim Legal Services

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Councilwoman Williamson moved that items A-1 through D-1 be approved.
Councilman Aitken seconded the motion.

A roll call vote resulted as follows:

Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilman Aispuro	Yes
Councilman Darling	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Yes

The motion passed by a unanimous vote of Council.

OLD BUSINESS

E. ORDINANCE NO. 1361 – Rezone of two parcels totaling 8.49 acres, owned by Maureen and Steve Tillberg, legally described as the Northwest of the Northwest of the Northeast of Section 10 57 North, 2 West, less North 80' & Tax 103, 104, and 105.

The City Clerk read the title of the Ordinance as follows:

AN ORDINANCE OF THE CITY OF SANDPOINT, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO, AMENDING THE ZONING CLASSIFICATION OF THE PROPERTY DESCRIBED IN SECTION 1, BELOW, FROM RESIDENTIAL SINGLE-FAMILY (RS) TO MIXED USE RESIDENTIAL (MUR); PROVIDING FOR AMENDMENT TO THE OFFICIAL ZONING MAP TO REFLECT THIS CHANGE; FINDING THAT THE NEW ZONE IS IN ACCORD WITH THE SANDPOINT COMPREHENSIVE PLAN; PROVIDING THAT ALL PRIOR ZONES APPLICABLE TO LANDS DESCRIBED IN SECTION 1 ARE HEREBY SUPERSEDED; AND PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.

Mayor Rognstad reported that, at its March 20, 2019, meeting, Council approved this zone change.

Councilman Eddy stated that, in retrospect, he wished Council had scheduled a public hearing on this matter, but, because this rezone was approved by Council at the last meeting and this ordinance represents the required administrative action related to that vote, he **moved** that the proposed ordinance pass its first reading by Title only.

Councilman Aispuro seconded the motion.

A roll call vote resulted as follows:

Councilman Darling	Abstain
Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Yes
Councilman Aispuro	Yes

The motion passed by a vote of Council, with Councilman Darling abstaining, and the Ordinance passed its first reading by title only.

Councilman Eddy moved that the rules requiring three separate readings, once in the Ordinance's entirety be suspended and that the proposed ordinance pass its second and third readings under suspension of the rules. **Councilman Aispuro seconded the motion.**

A roll call vote resulted as follows:

Councilman Eddy	Yes
Councilman Aispuro	Yes
Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilwoman Williamson	Yes
Councilman Darling	Abstain

The motion passed by a vote of Council, with Councilman Darling abstaining, and the Ordinance was considered read, passed and adopted under suspension of the rules.

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Mayor Rognstad made the following statement: I have been troubled about this zoning decision since I was first made aware of the request. It didn't make me more comfortable that it was a split decision by the Planning & Zoning Commission to approve the zone change. I am not necessarily opposed to the zoning change, but I believe we should have provided additional opportunity for public comment in a hearing before City Council before the Council made a final decision. I have previously indicated my intent to veto this ordinance if passed by Council. I will issue my formal veto memo tomorrow. If any Council member wants to schedule a special meeting to overturn my veto, they should contact the City Clerk, and it will be included on the next Council agenda.

E1. RESOLUTION NO. 19-17 – EASEMENT AND WATERSHED ACCESS AGREEMENT WITH NEWMAX, DBA INTERMAX NETWORKS

City Administrator Jennifer Stapleton replied to **Councilman Eddy** that the easement fee is a one-time lump sum, which is consistent with other easements and typically the City's practice for this type of fee.

Councilman Aitken moved that City Council approve the proposed resolution, Easement and Watershed Access Agreement with Newmax, dba Intermax Networks. **Councilwoman Ruehle seconded the motion.**

A roll call vote resulted as follows:

Councilman Aispuro	Yes
Councilman Darling	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Yes
Councilwoman Ruehle	Yes
Councilman Aitken	Yes

The motion passed by a unanimous vote of Council.

F. RESOLUTION NO. 19-18 – CONTRACT RENEWAL WITH WASTE MANAGEMENT OF IDAHO FOR SOLID WASTE COLLECTION AND DISPOSAL AND RECYCLING COLLECTION, PROCESSING AND MARKETING

Ms. Stapleton stated that the term of the proposed contract is ten years. The City considered other options for garbage service in Sandpoint, but, in consultation with the Mayor, made the decision to enter into exclusive negotiations with the City's current provider, Waste Management of Idaho, a practice which is allowed under Idaho law for solid waste disposal services. Waste Management is the sole provider in the area, serving our neighboring cities and the transfer stations. There was much discussion during negotiations regarding cost increases and how those costs are tied to recyclables. An education campaign aimed at recyclables will be needed for the City's residents. Due to the nature of the current recyclables market, if our residents' recycling bins are consistently contaminated with non-recyclables, per the new contract, there could be a resulting additional cost. The current contract expires at the end of May. Staff was able to negotiate no rate increase as the new contract term begins. Rate increases will be effective on October 1 each year. A review of rates was conducted prior to final contract negotiations, looking at all of the surrounding Bonner County cities: Ponderay, Kootenai, Dover, East Hope, Clark Fork, and Priest River. Even with the rate increases reflected in our new contract, Sandpoint's rates remain the lowest in the region.

Present from Waste Management were Ken Gimpel, Business Development Manager, and Tami Yeager, Public Sector Manager.

Ms. Yeager stated that the recycling industry changed dramatically in 2018. As of 2017, China imported most of the world's recycling. In 2018, China put policy limits in place and discontinued import of many recyclables. For the recyclables China does still take, there is only a .5% contamination allowance, which is unattainable. Considering all of the items that end up in recycling bins, this is a challenge. China was accepting 25% of the world's recyclables and more than 50% of the paper and plastic, which are popular items for

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residents to place in their curbside bin. Waste Management is the largest collector of recyclables in the nation, and 75% of their recyclables are being processed and remanufactured domestically. The remainder are sent to a handful of other countries, which are long-term Waste Management partners.

Ms. Yeager replied to **Mayor Rognstad** that the other countries to which Waste Management sends collected recyclables includes Southeast Asia, Europe, India, and Canada.

With the changes in China, recyclables collectors have been forced to find other outlets. Some cities that run their own collection services and some smaller service suppliers do not have the same relationships that Waste Management has, and it has been a real challenge for them. Much of the recyclables have now come back to the U.S., resulting in an oversupply. Additionally, the mills that accept recyclables are now able to increase their expectations of clean materials and decrease what they will pay for the materials.

The materials collected by Waste Management are taken to the Spokane material recycling technology facility for sorting. Waste Management separates and bales the material for sale, but, in some cases, they have not been able to sell. In 1997, for example, mixed wastepaper was valued at \$97.50 per ton, compared to 2018, when, by the end of the year, the price paid was only \$5.00 per ton, and first quarter this year, mixed wastepaper is valued at nearly nothing. There are some new realities in the world of recycling; the fundamental economic supply and demand is out of balance and requires a readjustment. Recycling is very popular, with all sorts of materials being placed in recycling bins, including materials that cannot presently be recycled. Consumers need to be reeducated as to what really can be recycled.

Ms. Yeager displayed a photo, showing the Waste Management sorting facility in Spokane and what is called a star screen. Several times a day, plastic bags get wrapped around the screen, shutting down the system. It is possible to recycle plastic bags, but not as part of the curbside program. It's necessary to distinguish between what is recyclable and what is sortable when it comes to the curbside program. Plastic bags, for instance, should not be placed in curbside recycling. Some local stores will take them back and bale them collectively, and sometimes they can sell them. Waste Management cannot do so as part of the sorting system. What is put in the recycling container needs to be refined, based on the list of materials eligible for the curbside recycling program. Waste Management has invested millions of dollars in sorting equipment and has added more labor, including manual labor, at the facility to extract materials. They also have optical sorters, at a cost of \$1 million dollars each. They constructed a facility in 2012 at a cost of approximately \$20 million. It has a small footprint and was state-of-the-art at the time. However, packaging manufactures have come up with different designs for their packaging, manufacturing in several layers for durability, creating a longer shelf life and making packaging lighter to mail. It's become confusing for consumers to determine whether today's packaging is or is not recyclable, because almost all packaging contains a recycling logo, but those logos and the accompanying numbers are all related to manufacturing. Some of it is marketing and pertains to the makeup of the material. We need to leave the recycling number coding behind and get back to basics: plastics, aluminum, tin, etc.

In the United States, approximately 25% of what is collected at the curb for recycling is contaminated and ends up in the trash. Locally, we do a better job, and Sandpoint does well, comparatively. The contamination rate at the local recovery facility is more in the range of 10% to 15%, but, in comparison to the expectation of less than 1%, there is still much work to do. In order to sustain the program, everyone will need to join together and ensure that only approved materials are recycled at the curb. The term that's been coined for non-approved materials being placed in the recycling containers is "wish-cycling". Consumers may need to reevaluate their purchases, focusing on purchasing fewer single-use, packaged convenience items. When you purchase a product, consider whether it can be recycled and whether it can be placed in the curbside bin. For instance, currently, a plastic bottle is more recyclable than a glass bottle. Also, consumers need to become accustomed to and comfortable with depositing refuse in the garbage, not recycling, when

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it truly is garbage. Waste Management has a state-of-the-art landfill, which is heavily regulated, and they go above and beyond to ensure environmental safety. Even with higher fees and processing costs, people still want to recycle because it's the right thing to do. Sandpoint's recycling program costs less than other cities, and some cities do not even have a recycling program. In the new contract, the goal is to recycle often and recycle right and be clearer about recycling. Empty, clean, and dry is the focus.

Ms. Yeager responded to **Mayor Rognstad** that paper milk cartons are not accepted as part of the curbside recycling program; it's considered aseptic packaging. These cartons are multilayered, and the local facility does not have the capacity to accept that type of packaging. When this type of packaging contaminates, an entire load can be rejected. For a plastic milk jug, which is recyclable, the lid should be thrown away, and the jug should be empty and rinsed. Mr. Gimpel added that China used to accept this type of multilayered material as part of "mixed paper", but they no longer do so. Waste Management's system works on two-dimensional and three-dimensional materials. Two-dimensional is anything flat, such as paper or cardboard. For example, the machinery can't tell the difference between a postcard and a cottage cheese lid, resulting in the cottage cheese lid contaminating mixed paper. At the Smart Center, they run two shifts, where they've added five sorters on each shift, and they're investing another \$2 million in sorting equipment. In addition, they have slowed the line tremendously, all of which adds significant costs to the system, and they are getting pennies on the dollar, compared to 2012, when curbside recycling began in Sandpoint.

The other part of the contract is the actual garbage and collection services. Waste Management has been in Sandpoint for a long time. Their employees live in the area. They work on keeping the trucks upgraded, and there are a variety of carts from which residents can choose. For commercial recycling, they are providing a cart service. It's not part of the contract, but that service is available for businesses. The contract does come with a rate increase. The in-kind service provided to the City in the parks and at other City property is still included in the contract. If the City enters into a contract for solar compactors, Waste Management will transition to monitoring those compactors and collecting that waste.

Mr. Gimpel pointed out that, in 2012, Waste Management began offering the residential single-stream recycling at no additional cost and had just built the Smart Center in Spokane. Even though they are now operating at a deficit, they understand that the City is committed to recycling, and they are committed to continuing that service, even though it is now more of a challenge, particularly because of our far north location. Sandpoint is the only community in north Idaho where Waste Management provides single-stream recycling, and that service will be continued under the new contract. The recycling that is deposited in the blue bins is taken by the trucks to the County Transfer Station. Once a week, they load the material into larger containers and transport it to Spokane.

Ms. Stapleton confirmed for **Councilwoman Ruehle** that the rate increase under the new contract is 4% per year, starting in 2022. The City negotiated delaying the initial increase until October 1, and that will carry over two years, for a phased increase. Even with the increase, Sandpoint is still benchmarking at the low end of all of the other cities in our area, plus our contract includes the recycling service. The only other city with recycling service is Dover, and their service is subscription-based at an additional cost for residents who want to participate. The total increase, over the ten-year contract period, is 40%.

Mayor Rognstad appreciated Waste Management's commitment to supporting recycling in Sandpoint and the education on the current state of recycling.

Councilwoman Ruehle urged contemplation, as consumers, about the necessity of all of the items we purchase and how it affects our bottom line and our taxes.

Councilwoman Williamson moved that City Council approve the proposed resolution, Contract Renewal with Waste Management of Idaho for Solid Waste Collection and Disposal and Recycling Collection, Processing and Marketing. **Councilman Darling seconded the motion.**

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A roll call vote resulted as follows:

Councilman Eddy	Yes
Councilman Aitken	Yes
Councilwoman Williamson	Yes
Councilman Aispuro	Yes
Councilman Darling	Yes
Councilwoman Ruehle	Yes

The motion passed by a unanimous vote of Council.

G. RESOLUTION NO. 19-19 – CONNECT SERVICES AGREEMENT WITH BIGBELLY, INC.

Ms. Stapleton stated that this is the second part of the solid waste disposal program, following up on prior discussions as the City has been making announcements and talking about redesign of downtown and the plan for our garbage cans in the downtown area, enabling the City to most effectively manage garbage can usage. Staff has been working with downtown business owners, receiving feedback and complaints about challenges with the garbage cans downtown, including, for instance, the lack of pull-open or step-open containers and the loss of lids. When staff was in negotiations with Waste Management, one of the options presented was a transition from traditional garbage cans to smart garbage cans that are solar-operated and provide notifications as to the fill percentage. Waste Management is automatically notified when it is time to empty the can. City employees would no longer need to go around and manually check each can and contact Waste Management or respond to complaints about cans overflowing with garbage. The City will also have the ability to monitor.

The proposal calls for the replacement of the City's garbage cans throughout the downtown core, as well as in the parks. This technology will allow us to better manage solid waste across our facilities, for Waste Management to respond effectively, and to upgrade and address some of our current challenges, including precluding the need to order extra cans during busy times. Staff participated in a walkthrough of downtown with Mr. Gimpel and Erin Griffin from Bigbelly, Inc., in order to observe the current situation and to make some determinations as to a reasonable layout both for traditional solar-based cans, as well as areas of heavier activity where it would make sense to place a compacting can.

Staff negotiated Waste Management's retrieval of all of the different types of cans. Due to efficiencies, the City was able to offset some of the costs of the cans and maintenance by discontinuing pickup service in a number of the areas where the City is currently paying an additional \$20,000 per year. Staff took the approach of determining placement of cans where they will be seen and moving away from the idea that more cans will solve the problem of garbage ending up on the ground. The layout places cans offsetting on streets, rather than three or four cans per street, as was planned in the original designs for downtown. This also makes it easier for pedestrians and ADA needs, allowing better access on sidewalks and at curbs. Currently, there is quite a bit of street furniture on our downtown sidewalks, including garbage cans.

Ms. Griffin stated that their service will be provided alongside the in-kind services in our parks and downtown under the Waste Management contract. Bigbelly is headquartered in Boston, Massachusetts, in business for approximately 15 years and the first to offer the solar-powered waste and recycling receptacles. They provide their services to cities, business improvement districts, and universities and have customers throughout the U.S. and around the world. This is proven technology.

This solution provides cleaner public spaces. The total containment of their stations ensures no windblown litter, no overflow, and no pests getting into the containers. It also provides increased productivity, which, in our case, will be passed to Waste Management. One of the benefits of the contract with Waste Management and adding the Bigbelly stations is that the City will no longer be responsible for the collection; Waste Management will take care of collections on the City's behalf. Mr. Gimpel pointed out that

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the Waste Management drivers currently check our street cans three times per week, which is very inefficient. During the walkabout, it was discovered that many of the cans on collection day were completely empty, and a handful at sporadic locations were overflowing. The solar cans will allow Waste Management to gain a tremendous amount of efficiency and, with Waste Management monitoring the solar cans in the parks, this will create efficiency for the City, as well, freeing up Parks staff to attend to other needs. The compacters provide 5 to 1 compaction over a traditional can. Alert thresholds will be determined and programmed. This system is not anecdotal but is data-driven, with a Doppler heat stamp, showing activity, providing number of users and "open door" alerts. Ms. Griffin pointed out that this system offers measurable sustainability.

The stations on the street will be a mix of compacting and non-compacting units. Approximately 30% will be non-compacting, and the remainder will be compacting for the high-volume areas. A cloud-based monitoring system will be included and available to both the City and Waste Management. When a station becomes full, an email or text notification is sent.

The standard capacity bin the City will use is the non-compacting model and will come with a pull-down hopper and a foot pedal, and some will have an ash tray. Each station is self-powered and holds 150 gallons, as opposed to a standard 32-gallon bin. The station is smart, connected, and GPS-enabled. The City of Spokane implemented 108 stations approximately a year ago and has seen an 88% reduction in collections.

Ms. Griffin responded to **Councilman Eddy** that maintenance, installation, and annual cleaning and inspection is included in the contract. The City would be responsible for repair or replacement in instances of vandalism. The units are modular, so each panel is removable. Placement in locations where a vehicle could not jump the curb and hit the unit is recommended. Placing them on a corner or next to light poles or structures that will block the stations on one side is not recommended.

Mr. Gimpel stated that each unit contains a small battery, which the solar panel trickle-charges, making each unit a small, self-contained power supply. Some cities are using them for Wi-Fi and daisy-chaining routers. Also, they come with reader panels on each side, which can be used for wayfinding or advertising for events. Some communities have used full themed wraps. They're ascetically versatile and offer options not available with a standard garbage can.

City Finance Director Sarah Lynds confirmed to **Councilwoman Ruehle** that the total monthly cost will be as stated in the meeting packet. Ms. Stapleton added that there are offsets to the overall cost, with a reduction in pickup costs of at least \$20,000 per year. Our current garbage cans cost \$1,200 each. This program will decrease the total number of cans. The source of revenue for this program will be the overall service charge contained in the Garbage Fund. A balance has been building up, and we will use that balance to fund the transition to the smart cans.

Robert Newsom, who is not a Sandpoint resident, voiced concern regarding the ability of these solar-powered waste containers to properly charge and function in a location like Sandpoint, with our long winters and frequent cloudy skies. Ms. Griffin stated that, with their battery storage capacity, the containers will work for approximately three weeks without a charge from the sun.

Ms. Griffin responded to **Councilman Aispuro** that Bigbelly has stations all over the world, including places like Alaska and Sweden and locations that have far less sunlight than Sandpoint. She does not anticipate that there would be any issue with battery life here. She also noted that Bigbelly covers all battery replacement costs.

Mayor Rognstad pointed out that the heavy use of our garbage cans downtown comes during the sunnier summer months, and the smart cans will still function as garbage cans, even without the compactor.

Councilwoman Williamson moved that City Council approve the proposed resolution,

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Connect Services Agreement with Bigbelly, Inc. **Councilwoman Ruehle seconded the motion.**

A roll call vote resulted as follows:

Councilman Darling	Yes
Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Yes
Councilman Aispuro	Yes

The motion passed by a unanimous vote of Council.

Councilwoman Ruehle moved that Item K, High Five Community Transformation Grant Subaward Agreements, be advanced up the agenda to be heard next, as it was getting late for the young families who were present to comment on that issue. **Councilman Eddy seconded the motion.**

A roll call vote resulted as follows:

Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilman Aispuro	Yes
Councilman Darling	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Yes

The motion passed by a unanimous vote of Council.

K. RESOLUTION NO. 19-20 – HIGH FIVE COMMUNITY TRANSFORMATION GRANT SUBAWARD AGREEMENTS

Many members of the public, including several families with children, were in attendance, and several stepped forward to speak in support of the award of funds from this grant to the Sandpoint Nordic Club, which planned to use the funds to create a recreation center at Pine Street Woods, west of Sandpoint.

Individuals who spoke in support of or indicated support for the project during the meeting: Nichole Grimm, Jeremy Grimm, Rebecca Dussault, Ross Longhini, Mary Ficeller, Vicki Longhini, Julie McCallan, Regan Plumb, Jim Zuberbuhler, Katie Cox, Jeannie Higgs, Pat Lynch, Dan Krabacher, and Wayne Pignolet.

Individuals who provided written comments in support of the project: Constance Hammond, Suzanne Letourneau, Katie Eglund Cox, Celeste B. Grace, Dennis Rieger, Shawnda Burnett, Chris Jones, Faby Ferris, Stephen Ferris, Constance Ferris, Savannah Ferris, Jill Trick, Kimberly Manning, Maureen and Curt Hammond, Cynthia Schmit, Dan Schmit, Isaac Schmit, Xavier Schmit, Harmony Patterson, Tom Riggs, Jon and Catherine Strauss, Dana Anderson, Mindy Jones, Chris Jones, Amy Longanecker, Nancy Rieger, Gina Pucci, and Jody and Randy Thoreson.

Councilman Aitken stated that he was not unsupportive of the Sandpoint Nordic Club or the proposed recreation center project at Pine Street Woods, and he was appreciative of the selection committee's hard work, but he was troubled by the absence of a Request for Proposals (RFP) or Request for Qualifications (RFQ) process prior to the recommendation to award these particular funds from this grant to a specific entity, particularly since an RFP process had been used earlier to award other funds from this grant. Without such a process, he was concerned that proper notification to the public and other entities that may have been interested in competing for these dollars was lacking. The meetings held to make this recommendation were not open meetings, with no public notice provided. He felt that this process was not in the spirit of Council's priorities of transparency and openness.

Ms. Stapleton responded to **Councilman Aitken** that a competitive process is required for grant subawards when there are federal dollars involved. The rules are silent when it comes to private grant funds. One could also look to the City's contracting policy, which

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provides for an RFQ process over the \$50,000 threshold, in accordance with Idaho law.

Councilwoman Ruehle disagreed with the Councilman's assessment, pointing out that surveys were circulated throughout the community, with public input sought and received. The Board was very diverse, and a substantial number of individuals, more than 100, were involved as part of the Bonner County Coalition for Health. The local schools were consulted and involved. She felt the recommendation was thoroughly vetted over a two-year timeframe and one of the most data-driven decisions she has seen in her time as a City Councilor. It is her understanding that the City is not a direct grantor but, instead, just one of the entities involved, acting as a sort of executor of the funds.

Mayor Rognstad provided a timeline and history of this process to date, stating that the Blue Cross of Idaho Foundation awarded the funds, defining it as a community-driven grant, a unique model that they have developed, with the desire and mission for the City to bring together meaningful representation, comprised of leaders deeply involved in the health and wellbeing of our community, concerned with access to fitness opportunities and affordable, nutritious food.

The High Five group and the hired consultant were impressed with the coalition assembled by the City, comprised of 110 community members from Sandpoint and the surrounding area, including representatives from the local schools, Bonner General Health, and local youth organizations, to name a few. Of those, 15 comprised the Leadership Team. The Foundation directed the City to assemble this diverse group, comprised of people who are concerned about the health and wellbeing of youth in our community.

The first order of business was an assessment and determination of the assets currently available and a determination of our community's needs. Two needs assessments were performed. One was focused specifically on a recreation center, and the other was a more broad health assessment focused on access to healthy food and knowledge surrounding nutrition choices.

The Coalition for Health and the Leadership Team assessed the data and developed an Action Plan, with the directive from the Foundation to make a recommendation to Council as to how to award the \$250,000 available. The Leadership Team did just that, coming up with a very creative solution. It was easier to choose how to spend the money directed toward the "physical activity" portion of the budget. Projects surrounding physical activity frequently come with high dollar value infrastructure components. From the beginning, there was a drive for a community recreation center, and there was much discussion around the University of Idaho property on Boyer Avenue, with the hope and consideration that \$150,000 of the grant funds could be directed toward future recreation facilities at that location. Now, we are nearing the final year of the two-year grant period, the City's vision for that property has not been realized, and focus must be quickly redirected to a different project.

At that time, it was announced the Young Men's Christian Association (YMCA) had purchased the former Sandpoint West Athletic Center (SWAC), essentially satisfying the community's need for a recreation center. However, the Foundation made it clear that they did not want to fund the YMCA. They were interested in funding a grassroots, community-driven project.

The Leadership Team had several conversations with the broader Coalition and considered many ideas surrounding existing local groups in order to ensure best use of the grant funds. Some projects rose to the top, based on their ability to meet the needs of the community assessment. One was an idea for a gear library, where local children could check out and borrow gear in order to go out and enjoy the outdoors and engage in healthy physical activity. It was also clear, as evident from the public comments made this evening, that it was crucial to support wintertime activities, when it's more of a challenge for children to find healthy, affordable outdoor activities in which to participate. The Leadership Team reached out to the Sandpoint Nordic Club to gauge their interest in partnering in the development of such a project.

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From the beginning, this was intended to be a community-driven selection process. Not only did the City follow the Foundation's guidelines and recommendation for building the Leadership Team, but the Foundation was aware and in full support of the City's efforts and methods for engaging the community in this process and the breadth and depth of both the assembled Coalition for Health and the Leadership Team.

Additionally, when the City of Sandpoint utilized an RFP process for prior award of funds from this grant, focused on access to healthy food and good nutrition choices, it was the first in the history of this grant to do so. The use of an RFP process was not an expectation, but High Five was impressed with our innovation in using this approach, and it was successful.

For the "physical activity" component of this grant, once the Nordic Club was on board, Kaniksu Land Trust joined, with their recent purchase of Pine Street Woods, and the Leadership Team, with near unanimous support, accepted the proposal for a recreation center that is before Council this evening. **Councilman Aitken**, as a member of the Leadership Team, voted against.

There was a remaining \$35,000 balance to award, and the City, again, utilized an RFP process in order to direct these funds toward an additional project or projects related to providing access to physical activity.

If this process is delayed further, and an additional RFP is required in order to make a selection and award the funds the Leadership Team has recommended for award to the Nordic Club this evening, we may be unable to meet our deadline, with only seven months at this point to select, build, complete, and fund a project before the end of this year. We would lose not only a great project but also our integrity with and the confidence of this funder, along with the faith the community has placed in the City. What has been clear throughout this process is the remarkable support of the community, as evidenced by the involvement of so many dedicated volunteers.

Mayor Rognstad stated that he did not understand how this could be seen as anything but an open process. It was open from the time of announcement of the City's receipt of this grant and throughout the assessment process as determinations were made as to the needs of the community.

Councilman Eddy echoed Councilwoman Ruehle's comments and further commented that he felt this was a well-defined and well-organized project, and he is 100% comfortable with the process.

Councilwoman Williamson thanked the Mayor for his comprehensive explanation and clarification of this process for those who were not integrally involved. She appreciates and admires the robust community support for this project and the manner in which those involved in the administration of this grant have come up with methods for soliciting projects and making determinations for award of funds.

Moving forward, she feels there is a need for consistency, based on Council's priorities of fairness, equity and transparency. She is happy to support this project, and she appreciates the challenges with the timeline, but, in the future, if placed in a similar situation, it is her hope that the City will follow a consistent, transparent path when it comes to grant subawards. All of Sandpoint's nonprofit organizations are important to our community, and they all deserve an equal opportunity to compete for grant funds offered through the City and to receive the support they deserve.

Councilman Aitken reiterated that his concerns are not with the project, just with the process. He feels that, had he gotten any traction with his opposition to the process at the time he voted against this award, there may have been time to issue an RFP. Moving forward, he hopes that a different approach will be taken.

Councilwoman Ruehle agreed that she would like to see a more defined process in the future.

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Councilwoman Ruehle moved that City Council approve the proposed resolution, High Five Community Transformation Grant Subaward Agreements. **Councilman Eddy seconded the motion.**

A roll call vote resulted as follows:

Councilwoman Williamson	Yes
Councilman Aitken	Yes
Councilman Darling	Yes
Councilman Aispuro	Yes
Councilwoman Ruehle	Yes
Councilman Eddy	Yes

The motion passed by a unanimous vote of Council.

Mayor Rognstad called for a break at 7:38 p.m.

Mayor Rognstad reconvened the meeting at 7:45 p.m.

**H. RESOLUTION NO. 19-21 – ADDENDUM #2 TO DISC GOLF LICENSE AGREEMENT
BALDY MOUNTAIN ROAD PROPERTY**

Steve Holt, not a Sandpoint resident, operates the Eureka Institute, grantee of the subject license, and thanked the City for its continuing support of the disc golf course. The enthusiasm for the course continues to grow, and it is a great community asset. He indicated that their organization may be interested in competing for the remaining High Five Grant funds available.

Mayor Rognstad reported that only one application has been received for those remaining funds and suggests that, with the deadline having passed for applications, the City may want to consider reissuing the RFP.

Eric Nelsen, a Sandpoint resident, represents the Sandpoint Disc Golf Association. He is a skateboarder and relayed his participation in the process to garner support for and build the skate park at Travers Park, commenting on how heavily it is used, and what a phenomenal community asset it has become. He also relayed other projects in which he has been involved and activities in which he regularly participates, stating that he is invested in outdoor recreation that is accessible to everyone. He thanked the City for support of the disc golf course and commented that the organization is happy to contribute more for continued use of the property.

Mayor Rognstad thanked all involved for creating such an incredible community asset, particularly in light of the money and volunteer effort that has gone into building and maintaining the course.

Councilman Aispuro moved that City Council approve the proposed resolution, Addendum #2 to Disc Golf License Agreement Baldy Mountain Road Property. **Councilwoman Williamson seconded the motion.**

A roll call vote resulted as follows:

Councilman Darling	Yes
Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Yes
Councilman Aispuro	Yes

The motion passed by a unanimous vote of Council.

I. RESOLUTION NO. 19-22 – ADOPTION OF PERSONNEL POLICY

Nicole Goes, Human Resources Director/Risk Manager, reported that she has been working with City Division Heads over the past several weeks to communicate the proposed changes to employees. One significant change impacting employees includes

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the implementation of a tobacco-free workplace, with the City going from smoke-free to completely tobacco-free, including chewing tobacco. This change is proposed to take effect on January 1, 2020, giving employees several months to take advantage of tobacco cessation programs, if necessary.

Also, the City will be converting from a semimonthly to a biweekly payroll system. Currently, under the semimonthly system, there are 24 pay periods per year. Under the new biweekly system, there will be 26 pay periods per year. Staff has been meeting with employees in order to communicate how this change will impact their pay. This change will take place with the June 14, 2019, payday.

Additionally, compensatory ("comp") time will be eliminated, with any hours worked over 40 in a week being paid out to hourly employees in the form of overtime pay in their paycheck, and the section regarding holiday pay has been updated to reflect compensation for employees who work on holidays.

Ms. Goes, along with **Councilman Aitken** and **Councilman Eddy**, met with Fire Fighters Local 2319 in a negotiation session to discuss the proposed changes to the Personnel Policy. The fire fighters did agree to those changes, and she will bring a proposed supplemental agreement to Council's May 1, 2019, meeting to address the conversion to biweekly pay and its affect on the Sandpoint Fire Fighters Local 2319, International Association of Fire Fighters, AFL-CIO, Collective Bargaining Agreement 2017-2020.

Councilman Aitken appreciated the creative approach the City plans to take in order to help make up for the fewer hours and subsequent lower pay that will be reflected in employees' June 14 paycheck, and Ms. Goes explained how the bridge payment will work: As a result of the City's conversion from semimonthly to biweekly paydays, instead of the usual 87 hours, the June 14 paycheck will reflect only 42 hours of pay. In order to mitigate the disruption to their personal finances that this reduced paycheck may cause, employees will have the option of taking an allowance ("bridge payment") from the City, reflecting 45 hours of pay, which, when paired with the 42 hours of actual wages that will be paid on June 14, will total the 87 hours employees are accustomed to receiving semimonthly. Beginning with the July 26 payday, the City will be reimbursed over the course of 12 pay periods from those who choose to take advantage of the bridge payment.

Ms. Stapleton clarified that, with the conversion, there is no reduction in overall annual compensation. Under our current pay structure, because we're "paying ahead", there have been cases where an employee has terminated employment and actually owes the City money. Biweekly pay will resolve that issue and will also allow the City to track actual expenses throughout the year under the new project tracking system, with the ability to see actual costs and the functional areas related to various projects, providing the opportunity to, for instance, recover costs from grants and see real-time status of costs.

Councilman Darling moved that City Council approve the proposed resolution, Adoption of Personnel Policy. **Councilman Aitken seconded the motion.**

A roll call vote resulted as follows:

Councilwoman Williamson	Yes
Councilman Aitken	Yes
Councilman Darling	Yes
Councilman Aispuro	Yes
Councilwoman Ruehle	Yes
Councilman Eddy	Yes

The motion passed by a unanimous vote of Council.

J. EMPLOYEE BENEFIT PLAN RENEWALS

Ms. Stapleton stated that, in her first year of negotiating employee benefits in 2016, there was a 24% increase in employee medical insurance costs, which was actually negotiated down from 27%. There has been a long-standing goal to move employee benefit renewals from a June 1 renewal to a calendar year renewal, in order to align with medical insurance

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deductibles, which reset on January 1 each year. In order to make that change, we needed to get to a point where the annual rate increase was not substantial, and that has been achieved this year. This year's renewal proposal is for 19 months, as opposed to the usual 12-month renewal, with our benefit agreements and policies valid through December 2020. The renewal will come with a 6% rate increase for medical, which is the lowest increase since 2015. Our average annual increase since 2011 has been 9.5%. This year's 6% increase is split between the City at 4% and the employee at 2%.

The City is self-funded for dental insurance. Last year, a fund balance analysis was conducted, and employee rates for dental were reduced. This year's renewal retains that reduced premium rate for employees. For dependent children under the age of 19, orthodontic coverage will now also be offered as part of our plan, providing a lifetime benefit of up to \$1,500 per child. As an additional benefit, when an employee has not used the full amount of their available dental benefits by the end of the year but has had at least one preventative visit during the year, and has a balance of less than \$600, they have the opportunity to roll \$300 over to the next year, for a maximum of \$3,050, allowing the employee to build up coverage for more extensive dental work that is not needed every year, with the intent to relieve some financial burden for employees when the need arises.

With this proposal is a new optional benefit, offering Life Flight insurance to employees at a discounted rate of \$50 annually, and this covers everyone in the household. This new benefit is in line with the goal of enriching benefit options for our employees, with the hope of getting to the point of offering a true cafeteria benefits plan, where employees are afforded a specific dollar amount from the City and are able to shop across different services to create a benefits plan that works for them. If we can sustain our rate renewals, we should be able to implement such a plan by January 2021. Until that time, all plans are aligned for the 19-month renewal, and we will not see any additional premium increases beyond what is now proposed.

Councilwoman Ruehle appreciated the new Life Flight insurance option.

Ms. Lynds responded to **Mayor Rognstad** that staff constantly monitors our dental funds to ensure a healthy balance. Ms. Stapleton added that the decision to reduce premiums is based on an ongoing, multiyear analysis, and a conservative approach is taken. If it ever became necessary, we could implement an emergency rate increase.

Councilman Aitken moved that City Council approve the 2019-2020 employee benefit plan renewal contracts for medical, dental, vision, life, short-term disability, Employee Assistance Program and COBRA Administration, along with the new Group Membership Contract with Life Flight Network. **Councilman Aispuro** seconded the motion.

A roll call vote resulted as follows:

Councilman Aitken	Yes
Councilman Darling	Yes
Councilwoman Ruehle	Yes
Councilman Eddy	Yes
Councilwoman Williamson	Yes
Councilman Aispuro	Yes

The motion passed by a unanimous vote of Council.

L. RESOLUTION NO. 19-23 – COOPERATIVE AGREEMENT WITH IDAHO DEPARTMENT OF LANDS

Fire Chief Ron Stocking explained that the Idaho Department of Lands ("IDL") is willing to provide assistance to the City of Sandpoint, should a fire break out in the Sandpoint watershed. The City owns 400 acres of land, with no access for fire vehicles. If a fire is threatening the watershed but did not originate on City land, IDL would already be present. This agreement addresses Sandpoint's need for assistance when a fire originates in the watershed area.

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Councilwoman Williamson moved that City Council approve the proposed resolution, Cooperative Agreement with Idaho Department of Lands. **Councilman Aitken seconded the motion.**

A roll call vote resulted as follows:

Councilwoman Williamson	Yes
Councilman Aitken	Yes
Councilman Darling	Yes
Councilman Aispuro	Yes
Councilwoman Ruehle	Yes
Councilman Eddy	Yes

The motion passed by a unanimous vote of Council.

M. RESOLUTION NO. 19-24 – JOINT POWERS AGREEMENT FOR THE COORDINATED AND COOPERATIVE PROVISION OF FIRE SERVICES IN THE CITY OF SANDPOINT, SAGLE FIRE DISTRICT AND WESTSIDE FIRE DISTRICT

Fire Chief Ron Stocking explained that this is essentially the same Joint Powers Agreement (“JPA”) that has been in place for the past four years, with some improvements for the City. Last year, it was recognized that there were more Sandpoint employees than the Sagle Fire District employees who were in supervisory roles. In attempt to create greater equity in that regard, the JPA has been altered to include that, besides the Chief, Assistant Chief, and Executive Assistant, the entities will also share the three Battalion Chiefs with Sagle Fire District. He displayed an organization chart for Selkirk Fire. Sandpoint City Council, Sagle Fire District Commissioners and Westside Fire District Commissioners oversee the JPA. The three shared Battalion Chiefs are based out of Station 1 in Sandpoint, but they provide supervisor coverage for all five stations: Station 1 - Sandpoint, Station 2 - Dover, Station 3 - Sagle, Station 4 - Careywood, and Station 5 - Wrenco. With the exception of Station 5, all of the stations are staffed 24 hours a day. The updated JPA allows for greater sharing of the command staff, along with other provisions, including what constitutes a quorum of the JPA Board and clarification regarding finances.

Chief Stocking responded to **Mayor Rognstad** that, with the enhanced staff sharing provision, Sandpoint will realize a savings of approximately \$22,000 for the remainder of the current fiscal year, retroactive from January 1, 2019.

Ms. Stapleton added that this results in promotion of three Sandpoint employees, who are currently ranked as Lieutenant, promoting to Captain. Additionally, she noted a needed change to the JPA at the beginning of Section 4.4, which conflicts with Section 4.2. “Except as provided under Section 4.2” needs to be added at the beginning of Section 4.4. Section 4.2 allows for any of the parties to terminate participation in the JPA with 60 days’ notice prior the end of the fiscal year. Without this change, section 4.4 contains a withdrawal provision based only on cause.

Council members confirmed to **Mayor Rognstad** that they understood the change.

Councilman Darling moved that City Council approve the proposed resolution, Joint Powers Agreement for the Coordinated and Cooperative Provision of Fire Services in the City of Sandpoint, Sagle Fire District and Westside Fire District. **Councilwoman Ruehle seconded the motion.**

A roll call vote resulted as follows:

Councilman Darling	Yes
Councilman Aispuro	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Yes
Councilwoman Ruehle	Yes
Councilman Aitken	Yes

The motion passed by a unanimous vote of Council.

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N. EXECUTIVE SESSION PURSUANT TO IDAHO CODE SECTIONS 74-206(b) and 74-206(f)

Councilwoman Williamson moved that Council convene in executive session pursuant to Idaho Code Sections 74-206(b) and 74-206(f) to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student and to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. **Councilman Aispuro seconded the motion.**

A roll call vote resulted as follows:

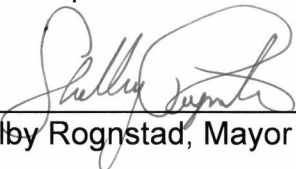
Councilwoman Williamson	Yes
Councilman Eddy	Yes
Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilman Aispuro	Yes
Councilman Darling	Yes

The motion passed by a unanimous vote of Council. Parties not participating in the executive session left the room, and Council convened in executive session at 8:15 p.m. in Council chambers.

Council concluded their executive session at 8:39 p.m.

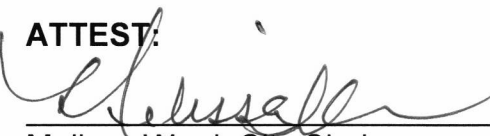
ADJOURNMENT

Mayor Rognstad adjourned the regular meeting at 8:39 p.m.



Shelby Rognstad, Mayor

ATTEST:



Melissa Ward, City Clerk